

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Escrow Agent License of:

No. 07F-BD073-SBD

3 **CAMELBACK TITLE AGENCY, L.L.C.**  
4 **AND MONICA D. WILLIAMS, PRESIDENT**  
2701 E. Camelback Rd., Suite 150  
Phoenix, AZ 85016

**CONSENT ORDER**

5 Respondents.

6  
7 On February 5, 2007, the Arizona Department of Financial Institutions ("Department")  
8 issued an Order to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order,  
9 alleging that Respondents had violated Arizona law. Wishing to resolve this matter in lieu of an  
10 administrative hearing, and without admitting liability, Respondents consent to the following  
11 Findings of Fact and Conclusions of Law, and consent to the entry of the following Order.

12 **FINDINGS OF FACT**

13 1. Respondent Camelback Title Agency, L.L.C. ("Camelback Title") is an Arizona limited  
14 liability company authorized to transact business in Arizona as an escrow agent, license number  
15 EA-0905654, within the meaning of A.R.S. §§ 6-801, *et seq.* The nature of Respondent's business is  
16 that of engaging in or carrying on the escrow business or acting in the capacity of an escrow agent  
17 within the meaning of A.R.S. § 6-801(6).

18 2. Respondent Monica D. Williams ("Ms. Williams") is the President of Camelback Title, and,  
19 as such, is authorized to transact business in Arizona as an escrow agent, within the meaning of  
20 A.R.S. §§ 6-801, *et seq.*

21 3. On or around April 10, 2006, the Department conducted an examination of Camelback  
22 Title's business affairs. As a result of the examination, the Department discovered the following;  
23 Respondents:

24 a. Failed to adopt a systematic internal control structure and failed to properly account  
25 for escrow property; specifically:

26 ...

- i. Respondents failed to provide adequate follow-up on outstanding checks aged in excess of six (6) months. Respondents had 421 outstanding, stale-dated checks totaling \$209,447.57 in their bank trust accounts;
  - ii. Respondents' trust bank account reconciliation, as of February 28, 2006, was not dated by the preparer or the reviewer;
    1. Respondents failed to correct this violation from their last examination; and
  - iii. Respondents failed to account properly for escrow property by not adequately following up on aged escrow balances. Respondents had 232 escrow accounts totaling \$265,134.79 with last transaction dates in excess of six (6) months;
- b. Failed to obtain and maintain adequate escrow file documentation and failed to properly account for escrow property by improperly disbursing escrow funds; specifically:
- i. An examination of the following forty seven (47) escrow files, set forth below, revealed that Respondents:
    1. Failed to account properly for escrow property as required by the terms of the escrow;
    2. Disbursed monies in violation of escrow instructions;
    3. Failed to disburse funds in accordance with the provisions of the HUD-1 settlement statement;
    4. Failed to maintain an adequate internal control structure;
    5. Failed to account properly for escrow property;
    6. Failed to reconcile receipts and disbursements ledgers to HUD-1 settlement statements;
    7. Failed to follow written escrow instructions;
    8. Failed to maintain adequate escrow transaction documentation in escrow files; and

1 9. Failed to adequately supervise the activities of all escrow officers;  
2 specifically:

- 3 a. Camelback Title allowed escrow officer Anna Solis to  
4 manipulate and mismanage the funds from forty seven (47)  
5 escrow files. Ms. Solis failed to account properly for escrow  
6 property as required by the terms of the escrow in forty-four  
7 (44) files, made unauthorized disbursements without written  
8 escrow instructions or authorization in forty-three (43) files,  
9 and disbursed escrow funds contrary to the provisions of the  
10 HUD-1 settlement statement in thirty-one (31) files. Ms. Solis'  
11 gross abuse of her position led to the unauthorized  
12 disbursement of seventy-three (73) checks totaling  
13 \$331,095.86, and eight (8) unauthorized wires of \$235,555.29.  
14 b. Ms. Solis's files contained questionable authorizations for  
15 disbursements of escrow funds, including, among others,  
16 handwritten notes, authorizations that appear to have been  
17 written after the Proceeds authorization forms were signed, an  
18 unsigned *Post-It* note, and a questionable signature. Ms. Solis'  
19 files evidenced at least five (5) instances where escrow closing  
20 instructions were violated through payment of notary fees, and  
21 seven (7) occasions where disbursements were either not  
22 shown at all on the HUD-1 settlement statement or not written  
23 to reflect the true nature or amount of the transaction.  
24 c. Other escrow files maintained by Ms. Solis contained evidence  
25 of significant disbursements to real estate brokers who had  
26 already received commissions, payoffs to creditors and wires to

1 third parties without authorization or written instructions, lack  
2 of documentation to support payoffs and credits, a Buyer check  
3 that was not issued, a HUD-1 settlement statement showing a  
4 balance due where a check had no check had been issued and a  
5 backdated notarization. Ms. Solis also failed to pay an  
6 inspection bill with escrow funds, allowed a transaction where  
7 an individual's name differed from her driver's license and the  
8 title company documents and allowed a Seller to be charged  
9 twice for his three percent (3%) closing contribution.

10 c. Failed to disclose their business affiliation with Community Title Agency, LLC in all  
11 escrow transactions;

12 d. Failed to adopt a systematic internal control structure to ensure that persons employed  
13 by or associated with the escrow agent's business do not make significant errors or perpetuate  
14 significant irregularities or fraud without timely detection; Specifically:

15 i. Respondents failed to have adequate control over the receipts and  
16 disbursements procedures performed by their employees in all escrow  
17 transactions;

18 e. Failed to document the recording date in all escrow files for at least forty eight (48)  
19 deeds of trust; and

20 f. Failed to post their license at their branch located at 3117 N. 44<sup>th</sup> St.

21 4. Camelback Title has reimbursed various sellers for unauthorized disbursements in the sum of  
22 fifty-six thousand one hundred thirty-three dollars and sixteen cents (\$56,133.16).

### 23 CONCLUSIONS OF LAW

24 1. Pursuant to A.R.S. Title 6, Chapter 7, the Superintendent has the authority and duty to  
25 regulate all persons engaged in the escrow agent business and with the enforcement of statutes, rules,  
26 and regulations relating to escrow agents.

- 1           2. By the conduct set forth above in the Findings of Fact, Camelback Title and Ms.  
2 Williams violated the following:
- 3           a. A.R.S. § 6-834(A) and A.R.S. § 6-841 by failing to adopt a systematic internal  
4 control structure and failing to properly account for escrow property;
  - 5           b. A.R.S. § 6-834(A) and A.R.S. § 6-841 by failing to obtain and maintain adequate  
6 escrow file documentation and failing to properly account for escrow property by  
7 improperly disbursing escrow funds;
  - 8           c. A.R.S. § 6-840 by failing to disclose their business affiliation with Community Title  
9 Agency, LLC in all escrow transactions;
  - 10          d. A.R.S. § 6-831 and A.R.S. § 6-841(B) by failing to adopt a systematic internal control  
11 structure to ensure that persons employed by or associated with the escrow agent's  
12 business do not make significant errors or perpetuate significant irregularities or fraud  
13 without timely detection;
  - 14          e. A.R.S. § 6-831 and A.R.S. § 6-841(B)(3) by failing to document the recording date in  
15 all escrow files for all deeds of trust; and
  - 16          f. A.R.S. § 6-813(C) by failing to conspicuously post their escrow agent license at all  
17 branch locations.
- 18           3. Respondents have not conducted business in accordance with the law and violated  
19 Title 6, Chapter 7 and the rules relating to this chapter, which are grounds for license denial,  
20 suspension, or revocation pursuant to A.R.S. § 6-817(A)(2).
- 21           4. Respondents failed to account properly for escrow property, which is grounds for  
22 license denial, suspension, or revocation pursuant to A.R.S. § 6-817(A)(7).
- 23           5. Respondents disbursed monies in violation of escrow instructions, which is grounds  
24 for license denial, suspension, or revocation pursuant to A.R.S. § 6-817(A)(11).
- 25           6. Respondents have failed to maintain an adequate internal control structure, which is  
26 grounds for license denial, suspension, or revocation pursuant to A.R.S. § 6-817(A)(12).

7. The violations, set forth above, constitute grounds for: (1) the issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the violative conduct and to take the appropriate affirmative actions, within a reasonable period of time prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts, practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the suspension or revocation of Respondents' license pursuant to A.R.S. § 6-817; and (4) an order or any other remedy necessary or proper for the enforcement of statutes and rules regulating escrow agents pursuant to A.R.S. §§ 6-123 and 6-131.

## ORDER

1. Camelback Title and Ms. Williams shall immediately stop the violations set forth in the Findings of Fact and Conclusions of Law. Camelback Title Agency, L.L.C. and Ms. Williams:

- a. Shall adopt a systematic internal control structure and shall properly account for all escrow property;
  - b. Shall obtain and maintain adequate escrow file documentation and shall properly account for escrow property by properly disbursing escrow funds;
  - c. Shall disclose their business affiliation with Community Title Agency, LLC in all escrow transactions;
  - d. Shall adopt a systematic internal control structure to ensure that persons employed by or associated with the escrow agent's business do not make significant errors or perpetuate significant irregularities or fraud without timely detection;
  - e. Shall document the recording date in all escrow files for all deeds of trust;
  - f. Shall conspicuously post their escrow agent license at all branch locations;
  - g. Shall pay thirty-four thousand nine hundred forty-one dollars and forty-one cents (\$34,941.41) to a special fiduciary account to be established at Compass Bank.
- Camelback Title shall make a determination based upon further research as to who shall receive the proceeds in the fiduciary account and in what amount. The account

1 shall remain open until final determination has been made as to entitlement to said  
2 proceeds. Any monies that cannot be traced to an appropriate recipient shall escheat  
3 to the State of Arizona as provided by the Arizona Revised Statutes;

- 4 h. If evidence satisfactory to the Department and Camelback Title is not received by  
5 March 9, 2007 from Luz Maria Macias (Estrada) that sellers from escrows 11995,  
6 12995, 15703, 15724, 15859, 16297, and 17305 authorized payments, in the gross  
7 sum of eighty-three thousand seventy-one dollars and seventy-nine cents  
8 (\$83,071.79) to Luz Maria Macias (Estrada), then Camelback Title shall institute suit  
9 to recover said unauthorized payment. Any and all attorney's fees and other costs  
10 associated with such suit shall be the sole responsibility of Camelback Title;
- 11 i. If evidence satisfactory to the Department and Camelback Title is not received by  
12 March 16, 2007 from Guillermo Sanchez and Raquel E. Sanchez that Robert Vega  
13 (Seller) authorized payments in the sum of one hundred fifty three thousand eight  
14 hundred four dollars and fifty six cents (\$153,804.56) to Guillermo Sanchez and  
15 Raquel E. Sanchez, then Camelback Title shall institute suit to recover said  
16 unauthorized payment. Any and all attorney's fees and other costs associated with  
17 such suit shall be the sole responsibility of Camelback Title;
- 18 j. Camelback Title shall provide a Status Report describing in complete detail the extent  
19 to which the requirements of this Order have been complied with. Said Report shall  
20 be due on June 1, 2007, September 1, 2007, December 1, 2007, and March 1, 2008,  
21 and on each June 1, September 1, December 1, and March 1 thereafter until all  
22 requirements of the Order have been satisfied; and
- 23 k. Camelback Title shall provide a Report on the status of title for each of the forty-  
24 seven (47) escrow files which are the subject of this Order. The Report shall include  
25 a title history report for each of the forty-seven (47) transactions for a period from the  
26 date of the respective transactions to March 1, 2007.

2. Camelback Title and Ms. Williams, President, shall immediately pay to the Department a civil money penalty in the amount of thirty thousand dollars (\$30,000.00). Camelback Title and Ms. Williams shall pay to the Department an additional civil money penalty in the amount of thirty thousand dollars (\$30,000.00) on July 6, 2007. Camelback Title and Ms. Williams are jointly and severally liable for payment of the civil money penalty.

3. The provisions of this Order shall be binding upon Respondents, their employees, agents, and other persons participating in the conduct of the affairs of Respondents.

4. This Order shall become effective upon service, and shall remain effective and enforceable until such time as, and except to the extent that, it shall be stayed, modified, terminated, or set aside.

SO ORDERED this 14 day of March, 2007.

By: Felecia Rotellini  
Felecia A. Rotellini  
Superintendent of Financial Institutions

### CONSENT TO ENTRY OF ORDER

1. Respondents acknowledge that they have been served with a copy of the foregoing Findings of Fact, Conclusions of Law, and Order in the above-referenced matter, have read the same, are aware of their right to an administrative hearing in this matter, and have waived the same.

2. Respondents admit the jurisdiction of the Superintendent and consent to the entry of the foregoing Findings of Fact, Conclusions of Law, and Order.

3. Respondents state that no promise of any kind or nature has been made to induce them to consent to the entry of this Order, and that they have done so voluntarily.

4. Respondents agree to cease from engaging in the violative conduct set forth above in the Findings of Fact and Conclusions of Law.

5. Respondents acknowledge that the acceptance of this Agreement by the Superintendent is solely to settle this matter and does not preclude this Department, any other agency



1 or officer of this state or subdivision thereof from instituting other proceedings as may be  
2 appropriate now or in the future.

3 6. Monica D. Williams, on behalf of Camelback Title Agency, L.L.C. and herself,  
4 represents that she is the President, and that, as such, has been authorized by Camelback Title  
5 Agency, L.L.C. to consent to the entry of this Order on its behalf.

6 7. Respondents waive all rights to seek judicial review or otherwise to challenge or  
7 contest the validity of this Order.

8 DATED this 6 day of March, 2007.

9  
10 By: Monica D. Williams  
11 Monica D. Williams, President  
12 Camelback Title Agency, L.L.C.  
13

14 ORIGINAL of the foregoing filed this 7<sup>th</sup>  
15 day of March, 2007, in the office of:

16 Felecia A. Rotellini  
17 Superintendent of Financial Institutions  
18 Arizona Department of Financial Institutions  
19 ATTN: June Beckwith  
20 2910 N. 44th Street, Suite 310  
21 Phoenix, AZ 85018

22 COPY mailed same date to:

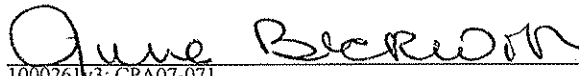
23 Craig A. Raby, Assistant Attorney General  
24 Office of the Attorney General  
25 1275 West Washington  
26 Phoenix, AZ 85007

Robert D. Charlton, Assistant Superintendent  
Jerry M. Landry, Senior Examiner  
Arizona Department of Financial Institutions  
2910 N. 44th Street, Suite 310  
Phoenix, AZ 85018

1 AND COPY MAILED SAME DATE by  
2 Certified Mail, Return Receipt Requested, to:

3 Monica D. Williams, President  
4 Camelback Title Agency, L.L.C.  
5 2701 E. Camelback Rd., Suite 150  
6 Phoenix, AZ 85016

7 Jeffrey Messing, Esq.  
8 POLI & BALL, P.L.C.  
9 2999 North 44th Street, Suite 500  
10 Phoenix, AZ 85018  
11 Attorneys for Respondents

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14 1000261v3; CPA07-071